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Letter dated 7 December 2000 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General

On instructions from my Government, I have the honour to transmit to you herewith a letter dated 6 December 2000 from Mr. Mohammed Said Al-Sahaf, Minister for Foreign Affairs of Iraq. The Minister calls attention to the actions of the agencies and offices of the United Nations involved in the electricity sector in Iraq's three northern governorates, which violate the letter and spirit of the memorandum of understanding of 20 May 1996 between Iraq and the United Nations, and to the manifest waste of Iraq's resources caused by the approval of economically and environmentally inappropriate projects in the area without consultation with the Government of Iraq.

I should be grateful if you would have the present letter and its annex circulated as a document of the Security Council.

(*Signed*) Saeed H. **Hasan**
Ambassador
Permanent Representative

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Annex to the letter dated 7 December 2000 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General

As you know, the memorandum of understanding of 20 May 1996 between Iraq and the United Nations (S/1996/356) makes frequent reference to the need for due regard to Iraq's sovereignty and the integrity of its population at the national level. Iraq's agreement to the implementation of humanitarian projects in the three northern governorates by United Nations entities acting on behalf of the Iraqi Government was conditional on the respect for the sovereignty, independence and territorial integrity of Iraq that was affirmed in the memorandum of understanding itself. I refer in this connection to paragraph 1 of annex I to the memorandum of understanding, which makes this affirmation, and to its paragraph 2, which states that:

> "The United Nations inter-agency humanitarian programme shall collect and analyse pertinent information on humanitarian needs in the three northern governorates. On the basis of that information, the programme will determine the humanitarian requirements of the three northern governorates for discussion with the Government of Iraq and subsequent incorporation in the distribution plan. ..."

I now bring to your attention a flagrant violation of this principle and thus of the provisions of the memorandum of understanding itself. It is that the Department of Economic and Social Affairs of the United Nations Secretariat and the United Nations Development Programme, which are entrusted by the United Nations with the management of the electricity sector in the northern region, have concluded contracts for the purchase of three diesel-operated plants for the generation of electric power. They did so despite the fact that Mr. Benon V. Sevan, Executive Director of the Iraq Programme, at a meeting held on 23 June 1999, and the United Nations representatives involved, at meetings held at the Electricity Authority on 19 and 20 June and 1 July 1999 in the presence of Mr. Sevan and representatives of the Ministry of Foreign Affairs, were directly and unambiguously informed by the Director of the Iraqi Electricity Authority that Iraq had not approved the importation of these plants for certain technical and practical reasons. The reasons are that:

(a) They cause very serious environmental pollution;

(b) They cannot be used for baseload purposes in the electricity system and lack the exchange capacity to transmit such loads;

(c) They lack the capacity to transmit electric power over long distances;

(d) They have a high operating cost.

For these reasons, such plants are much less reliable than the gas-operated plants that the aforesaid Iraqi authorities proposed should be imported instead. This proposal too was not given any consideration. Moreover, the plants in question were bought at exorbitant prices that were more than 200 per cent of their true value. There was also no consultation, even with regard to the properties of the fuel necessary to operate the generators or the extent to which it would be possible to make it available in Iraq.

I should like to place on record a strong protest by the Government of Iraq at the conduct of the United Nations entities involved in the electricity sector, which is promoting manifest waste of Iraq's assets on projects that are not economically viable. I do so in particular because it would be possible to utilize these large-scale resources in order to strengthen the productive capacities of the electricity sector as a whole in all parts of Iraq, including the northern region. I therefore ask you in your capacity as sponsor of the memorandum of understanding to draw the attention of all the accredited agencies in Iraq, especially those responsible for the implementation (on behalf of the Government of Iraq) of programmes in Iraq's northern governorates, to proceed in accordance with the mechanism for full coordination with the Iraqi agencies, each in its area of competence, and in such a manner as to preserve the resources resulting from the memorandum of understanding in order to meet the urgent humanitarian needs of the Iraqi people and avoid wasting them on items that only serve the narrow interests of certain traders and the beneficiaries of practices that are incompatible with the provisions of the memorandum of understanding and with the nature of the basic objective that it endeavours to achieve.

(*Signed*) Mohammed Said **Al-Sahaf**
Minister for Foreign Affairs of the Republic of Iraq